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INSURANCE DEPARTMENT PRESS RELEASE

For Immediate Release
DATE: February 28, 2005

Re: CIGNA Agrees to Refund Overcharges collected in violation of SB 110

Commissioner Roger Sevigny announced today that CIGNA HealthCare of New Hampshire, Inc. has signed a Consent Order and Agreement under which CIGNA will pay an administrative fine of \$25,000 to the New Hampshire Insurance Department for failing to apply the statutory cap to premium increases resulting from the enactment of SB 110. In 2003 when SB 110 was enacted into law, the General Court placed a cap on premium rate increases of 25 percent, exclusive of trend or age changes. As a result of its review of rate quotes, the Department found that CIGNA failed to comply with the transition provisions capping premium increases to 25 percent. Upon learning of this violation, the department commenced an investigation to identify the groups that had been overcharged. CIGNA fully cooperated in the Department's investigation, and has fully refunded or credited the amount of the overcharges to the approximately 280 groups that were impacted by its violation. CIGNA has agreed to provide the department with verification that each and every group affected by the overcharge has received a full refund or credit in the amount of the overcharge.